

## **APPENDIX K-2 IGT UNC Ancillary Documents**

Pipeline Operator Standards of Service Query Management

Password Protection Protocols

IGT CSEP NExA Table Review Procedures

IGT Transportation Invoice Charges Template

CSEP NExA Tables

IGT's New Connections Domestic Sites Only

IGT Non-Domestic New Connections

IGT UNC Innovation Derogations Guidance

## **PART L - MODIFICATION RULES**

### **3 Critical Friend**

3.1 In carrying out its obligations including under these Modification Rules and in compliance with the Code of Practice, the Code Administrator shall act as Critical Friend and provide such assistance as a Pipeline User (and in particular Small Participants), a Pipeline Operator or a Consumers' Representative may reasonably require, which shall include but not be limited to assistance in relation to:

- (a) the drafting of a Modification Proposal;
- (b) the provision of advice in relation to the operation and effect of the IGT UNC or an Individual Network Code;
- (c) the Pipeline User or Pipeline Operator's participation, involvement and representation in the Modification Procedures (including but not limited to IGT UNC Modification Panel and/or Work Group meetings); and
- (d) accessing information relating to a Modification Proposal, Modifications and the Modification Procedures.
- (e) the drafting or application of a Derogation Application.
- (f) The provision of advice in relation to the operation and effect of an IGT UNC Derogation if implemented in the IGT UNC.

### **6 Determinations of and Convening Meetings of the IGT UNC Modification Panel**

6.1 Except as otherwise provided in the Modification Rules and Derogation Rules as set out in Part O:

- (a) determinations of the IGT UNC Modification Panel shall be made by Panel Majority;
- (b) Work Groups may be created or dissolved by Panel Majority.

6.2 Other than as expressly provided in the Modification Rules and Derogation Rules as set out in Part O, the IGT UNC Modification Panel shall have no ability to determine any matter and no competence to discharge any function or to exercise any power.

## PART O – DEROGATION RULES

### 1 GENERAL

#### 1.1 Introduction

1.1.1 This Section O sets out:

- (a) provisions relating to application and implementation of IGT UNC derogations;
- (b) provisions relating to IGT UNC derogation appeals;
- (c) provisions relating to IGT UNC derogation impacts;
- (d) provisions relating to UNC derogation impacts;
- (e) provisions relating to derogation reporting and cessation; and
- (f) derogation use cases.

#### 1.2 Interpretation

1.2.1 For the purposes of the Code:

- (a) **"Derogation Determination Date"** means, in relation to an IGT UNC Derogation Application, the date on which the IGT UNC Modification Panel determines that IGT UNC Derogation should be implemented;
- (b) **"Derogation Eligibility Criteria"** means the eligibility criteria set out in the IGT UNC Innovation Derogations Guidance;
- (c) **"Derogation Guidance Document"** is an IGT UNC Ancillary Document prepared and maintained under the Modification Procedures containing guidance in relation to IGT UNC Derogation Applications and called IGT UNC Innovation Derogations Guidance;
- (d) **"Derogation Party"** means in respect of an IGT UNC Derogation, each Party identified in the IGT UNC Derogation as entitled to rely on such IGT UNC Derogation;
- (e) **"Derogation Period"** means the period during which the IGT UNC Derogation shall be in force;
- (f) **"Excluded Code Provision"** means:
  - (i) Part L - Modification Rules;
  - (ii) Part K – General;
  - (iii) any provision of the Code which is, at the date the application is submitted, within the scope of a Significant Code Review or the subject of a Significant Code Review Modification Proposal; and
  - (iv) any provision of the Code which facilitates a consumer changing supplier or shipper and which (in the opinion of the IGT UNC Modification Panel) could be adversely impacted by a proposed IGT UNC Derogation;
- (g) **"Industry Code"** means a multilateral code or agreement created and maintained pursuant to a licence granted by the Authority under sections 7, 7ZA or 7A of the Gas Act 1986 or section 6 of the Electricity Act 1989,

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including the Uniform Network Code, the Retail Energy Code and the Smart Energy Code ;

- (h) **"Derogation Use Case"** means a use for which a derogation might be applied and is listed in Part O Section 2.5 of the IGT UNC.
- (i) the **"Performance Assurance Committee"** or **"PAC"** is the UNC sub-committee established and described in TPD Sections V16.2 and V16.3 of the UNC;

## 2 DEROGATIONS

### 2.1 IGT UNC Derogation Application

2.1.1 A Party may make a written application for an IGT UNC Derogation to the Code Administrator (**"Derogation Application"**).

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2.1.2 An Derogation Application shall specify:

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- (a) the identity of the Party making the application (**"applicant Party"**);
- (b) the applicable Derogation Use Case;
- (c) the Derogation Eligibility Criteria on which the Derogation Application is based;
- (d) each and all individual provisions of the Code from which an IGT UNC Derogation is required;
- (e) the proposed duration of the Derogation Period; and
- (f) such other matters as shall be required by the Derogation Guidance Document.

2.1.3 Following receipt of a Derogation Application the Code Administrator shall:

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- (a) send a copy of the application to each Member, each Non-voting Member and the Authority;
- (b) provide Critical Friend guidance in relation to the applicable Derogation Use Case and satisfaction of the Derogation Eligibility Criteria;
- (c) schedule consideration of the IGT UNC Derogation Application at a meeting of the IGT UNC Modification Panel occurring not less than eight (8) Business Days after a copy of the application has been sent in accordance with 2.1.3 (a). A representative from the applicant Party must be present when the IGT UNC Modification Panel consider the IGT UNC Derogation Application.

2.1.4 At the meeting referred to in paragraph 2.1.3 (c) the IGT UNC Modification Panel will either:

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- (a) reject the IGT UNC Derogation Application in accordance with paragraph 2.1.5; or
- (b) make a determination in respect the IGT UNC Derogation Application in accordance with paragraph 2.1.6.

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2.1.5 The IGT UNC Modification Panel will reject the IGT UNC Derogation Application where:

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- (a) any of the requirements of paragraph 2.1.2 are not complied with;
- (b) the IGT UNC Modification Panel is of the opinion the IGT UNC Derogation Application is not in accordance with the applicable UNC Derogation Use Case;
- (c) the application proposes the IGT UNC Derogation apply in respect of an Excluded Provision;
- (d) the IGT UNC Derogation Application is not materially different from an earlier application which the IGT UNC Modification Panel determined, or (following an appeal) the Authority directed, should not to implemented.

2.1.6 In respect of a IGT UNC Derogation Application which is not rejected in accordance with paragraph 2.1.5 the IGT UNC Modification Panel will make a determination under paragraph 2.1.7 having:

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- (a) discussed the IGT UNC Derogation Application and considered whether or not the application satisfies the IGT UNC Derogation Eligibility Criteria;
- (b) considered all the information submitted by the applicant Party in support of the IGT UNC Derogation Application; and
- (c) heard the representations of the applicant Party's representative and the responses to any questions raised by the IGT UNC Modification Panel relating to the IGT UNC Derogation Proposal.

2.1.7 The IGT UNC Modification Panel may determine (by Panel Majority):

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- (a) the IGT UNC Derogation Application does not satisfy the IGT UNC Derogation Eligibility Criteria, in which case the IGT UNC Derogation Application shall lapse and have no further effect;
- (b) additional steps need to be undertaken, or additional analysis or information is required, before the IGT UNC Derogation Application can proceed to consultation, in which case the applicant Party shall be

invited to revise and re-submit the IGT UNC Derogation Application. Once it is so further developed, it shall be placed on the Agenda of the next following meeting of the IGT UNC Modification Panel or at a meeting of the IGT UNC Modification Panel occurring not less than eight (8) Business Days after a copy of the revised application has been sent in.

- (c) the UNC Derogation Application should proceed to consultation, in which case the Code Administrator shall invite each Party to make representations in respect of the UNC Derogation Application to the Code Administrator within fifteen (15) Business Days of the Code Administrator's invitation. The IGT UNC Modification Panel may also determine additional consultation questions to be added to the standard consultation;
- (d) consideration of the UNC Derogation Application should be deferred to a subsequent meeting of the IGT UNC Modification Panel.

2.1.8 Where the IGT UNC Modification Panel has determined the IGT UNC Derogation Application should proceed to consultation:

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- (a) the Code Administrator shall schedule consideration of the UNC Derogation Application and all representations received following consultation at the next relevant meeting of the IGT UNC Modification Panel following the end of the period referred to in paragraph 2.1.7(c);
- (b) at the meeting referred to in paragraph (a) the IGT UNC Modification Panel may determine having first considered and assessed the requested non-compliance with the IGT UNC against:
  - (i) the impact on gas consumers including costs and risks to supply;
  - (ii) the impact on competition identifying advantages and disadvantages; and
  - (iii) the effect on other Parties including but not limited to:
    - 1) the CDSP
    - 2) Large Transporters
    - 3) Pipeline Operators
    - 4) Pipeline Users
- (c) at the meeting referred to in paragraph (a) the IGT UNC Modification Panel may determine

- (i) by a unanimous vote the UNC Derogation Application should be implemented, in which case paragraphs 2.2 and 2.3 will apply. Where the IGT UNC Derogation Application does not proceed to implementation, the IGT UNC Derogation Application shall lapse and have no further effect
- (ii) a final determination in respect of the IGT UNC Derogation Application should be made at a further meeting of the IGT UNC Modification Panel.
- (iii) where an issue highlighted in the consultation responses is determined by the IGT UNC Modification Panel to be material by majority vote, the IGT UNC Modification Panel by majority vote may
  - 1) request additional information in which case the Code Administrator shall schedule consideration of the IGT UNC Derogation Application at a meeting of the IGT UNC Modification Panel occurring not less than eight (8) Business Days after the additional information is received and clause 2.1.8 shall apply.
  - 2) determine that the IGT UNC Derogation Application be sent out for further consultation in which case clause 2.1.7(c) and 2.1.8 shall apply.

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2.1.9 Where the IGT UNC Modification Panel approves implementation of an IGT UNC Derogation the IGT UNC Modification Panel will consider the views and request of the applicant Party, a direction by the Authority and also determine:

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- (a) the duration of the Derogation Period;
- (b) subject to paragraph 2.1.11, the date on which the Derogation Period is to commence, the earliest date for which shall be (subject to paragraph 2.2.2) no earlier than sixteen (16) Business Days after the Derogation Determination Date; and
- (c) any such other matter as may be provided for in the Derogation Guidance Document.

2.1.10 Following the IGT UNC Modification Panel's determination under paragraphs 2.1.8 and 2.1.9 in relation to an IGT UNC Derogation Application, the Code Administrator shall promptly publish on the IGT UNC website and notify the applicant Party, all other Parties and the Authority of:

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- (a) the IGT UNC Modification Panel's determination to approve or not approve the UNC Derogation Application;

- (b) where the IGT UNC Modification Panel approves implementation of the UNC Derogation Application:
- (i) the scope and nature of the IGT UNC Derogation, the Derogation Period, the Derogation Parties and the provisions of the Code which each Derogation Party shall not be required to comply with for the Derogation Period;
  - (ii) subject to paragraph 2.1.11, the date on which the Derogation Period is to commence;
  - (iii) the details of the IGT UNC Modification Panel's determination on the matters referred to in paragraph 2.1.9;
- (c) where the IGT UNC Modification Panel does not approve the IGT UNC Derogation Application the reasons for its determination.

2.1.11 The IGT UNC Modification Panel may defer determination of the date on which the Derogation Period is to commence pending further consultation with the applicant Party and the Code Administrator, in which case:

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- (a) The IGT UNC Modification Panel may determine dates by which the Derogation Period must be determined. If the Derogation Period has not been determined by the dates the IGT UNC Derogation Application will be deemed to have lapsed,
- (b) following such further consultation the IGT UNC Modification Panel shall determine the date on which the Derogation Period is to commence;
- (c) the Code Administrator shall promptly notify the applicant Party, all other Parties and the Authority of such date, which shall be no earlier than 16 Business Days following the IGT UNC Modification Panel's determination.

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2.1.12 An applicant Party may withdraw an IGT UNC Derogation Application by notice to the Code Administrator at any time prior to the IGT UNC Derogation coming into force, in which case the IGT UNC Derogation Application (or if already approved, the IGT UNC Derogation) shall lapse and have no further effect.

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2.1.13 A Party may submit an IGT UNC Derogation Application notwithstanding any other IGT UNC Derogation submitted by such Party remains under consideration by the IGT UNC Modification Panel (or following an appeal) the Authority.

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2.1.14 Where a Party submits an IGT UNC Derogation Application ("second application") which in the opinion of the IGT UNC Modification Panel

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is not materially different from an earlier application ("**first application**") submitted by the same Party:

- (a) where the IGT UNC Modification Panel has yet to make a determination under paragraph 2.1.8 in respect of the first application, the first application shall lapse and have no further effect;
- (b) where the IGT UNC Modification Panel has approved implementation of the first application, the first application shall lapse and have no further effect in the event the IGT UNC Modification Panel approves the second application, but not otherwise.

2.1.15 An applicant Party shall ensure a representative attends each meeting of the IGT UNC Modification Panel at which the applicant Party's IGT UNC Derogation Application is considered and matters will be deferred to the next scheduled meeting of the IGT UNC Modification Panel if they are not present.

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2.1.16 Notwithstanding any provision of this paragraph 1, the IGT UNC Modification Panel may determine, in its absolute discretion, the priority and timetable for any steps proposed be undertaken by the IGT UNC Modification Panel in relation to an IGT UNC Derogation Application.

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## 2.2 IGT UNC Derogation Appeal

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2.2.1 A Party ("**appellant Party**") may (subject to this paragraph 2.2) appeal to the Authority the IGT UNC Modification Panel's determination to approve or not to approve an IGT UNC Derogation where it believes it will be unfairly prejudiced by the IGT UNC Modification Panel's determination.

2.2.2 A Party may not give notice of appeal in respect of an IGT UNC Derogation more than fifteen (15) Business Days after the Derogation Determination Date, and where a notice of appeal is given within such period an approved IGT UNC Derogation shall not come into force prior to the Authority's decision following the Authority's consideration of the appeal.

2.2.3 A Party shall give notice of appeal to the Authority and the Code Administrator. The Code Administrator will inform the IGT UNC Modification Panel.

2.2.4 A notice of appeal shall:

- (a) identify the IGT UNC Derogation in respect of which the appeal is made; and

- (b) set out the reasons for the appellant Party's view the IGT UNC Derogation should be implemented or (as the case may be) not implemented.
- 2.2.5 The Code Administrator and the appellant Party shall provide the Authority with such further information as the Authority may request for the purposes of considering the appeal.
- 2.2.6 If more than one notice of appeal is received in relation to a UNC Derogation the Code Administrator shall invite the Authority to make a single or composite decision and direction in respect of all such appeals.
- 2.2.7 Following an appeal which is in accordance with paragraphs 2.2.2, 2.2.3, 2.2.4 and 2.2.5, the Authority may decide and direct the IGT UNC Derogation:
  - (a) should not be implemented, in which case the UNC Derogation shall lapse and have no further effect;
  - (b) should be implemented, in which case the UNC Derogation shall be implemented, for which purposes the Derogation Period shall be such period as the Authority directs.
- 2.2.8 When an appeal is decided the Code Administrator shall notify the appellant Party, the IGT UNC Modification Panel and each other Party of the Authority's decision.
- 2.2.9 The decision of the Authority in respect of an appeal shall be final and binding on all Parties.

### 2.3 Impact of IGT UNC Derogation

- 2.3.1 Subject to paragraph 2.1.11, any IGT UNC Derogation Application that has been approved by the IGT UNC Modification Panel shall be an IGT UNC Derogation and, subject to paragraph 2.4.2, such IGT UNC Derogation shall remain in force for the Derogation Period.
- 2.3.2 Subject to paragraph 2.3.3, for the duration of the Derogation Period:
  - (a) each Derogation Party shall be relieved of their obligation to comply with the Code to the extent permitted by the IGT UNC Derogation;
  - (b) no act or omission by a Derogation Party that would be a breach (or in the case of a User, a User Default) shall be deemed to be a breach (or User Default) of the Code to the extent only that such act or omission is permitted by an IGT UNC Derogation.
- 2.3.3 In respect of an IGT UNC Derogation:

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(a) a Derogation Party shall be required to comply with all provisions of the Code that are relevant to such Party and which are outside the scope of such IGT UNC Derogation;

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(b) a Derogation Party shall be required to comply with any conditions included in such IGT UNC Derogation;

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(c) such IGT UNC Derogation shall have no effect to the extent that it purports to derogate from:

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- (i) any conditions of a gas transporters licence or a gas shippers licence;
- (ii) any other Industry Code (but without prejudice to any other regulatory derogation arrangements);
- (iii) any Legal Requirement; or
- (iv) any provision of this paragraph 2,

and each Derogation Party acknowledges and agrees that it shall be responsible for its compliance with any such Code provision, licence condition or Legal Requirement.

2.3.4 With effect from 05:00 on the day following the Derogation Period End Date, such IGT UNC Derogation shall no longer be in force and each Derogation Party shall comply with the Code in full from such time and such date.

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2.3.5 The approval of an IGT UNC Derogation in respect of any Derogation Party shall not relieve any other Party (not being a Derogation Party) of all or any of its obligations under the Code.

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2.3.6 Once approved by the IGT UNC Modification Panel no variation to an IGT UNC Derogation shall be permitted.

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## 2.4 Impact of UNC Derogation

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### 2.4.1 Where

- (a) a derogation is implemented according to General Terms Section B Paragraph 7 of the UNC and
- (b) that derogation is applicable to provisions under the UNC which are also relevant provisions under the IGT UNC and
- (c) the project for which the UNC Derogation is required will be impacting one or more Pipeline Operator's networks

the derogation under the UNC will also be applicable in the IGT UNC in all respects.

## 2.5 IGT UNC Derogation Reporting and Cessation

2.5.1 A Derogation Party shall provide the IGT UNC Modification Panel with such reports as the IGT UNC Modification Panel may require. The IGT UNC Panel may provide this report to the Performance Assurance Committee.

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2.5.2 On expiry of the Derogation Period or on achievement of the objective requiring the Derogation, a Derogation Party shall provide the IGT UNC Modification Panel with a report setting out the actions it will take to resume continued compliance with the enduring Code requirements.

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2.5.3 The IGT UNC Modification Panel may determine that an IGT UNC Derogation cease to apply, as a result of being made aware that:

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- (a) the IGT UNC Derogation no longer meets the IGT UNC Derogation Eligibility Criteria;
- (b) a Derogation Party is in breach of the IGT UNC Derogation.
- (c) there is no progress being made towards the achievement of the objective requiring the Derogation.

2.5.4 Where the IGT UNC Modification Panel makes a determination in accordance with paragraph 2.5.3 the IGT UNC Derogation shall cease to apply from the date specified by the IGT UNC Modification Panel.

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## 2.6 IGT UNC Derogation Use Cases

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An IGT UNC Derogation Application may only be made for or in relation to one or more of the Derogation Use Cases listed in this clause 2.6.

### 2.6.1 Derogation Use Case A

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The IGT UNC Derogation Application relates to a project which is consistent with:

- (a) a change in national government policy (including policy of the national devolved parliaments);
- (b) a change in local government policy;
- (c) the trialling of new technologies or the making of technological advances;
- (d) facilitating the uptake of low carbon technologies;
- (e) any requirement contained in a local area energy plan or equivalent arrangement

the purpose of which is to facilitate net zero and the achievement of a 100% reduction of greenhouse gas emissions (compared to 1990 levels) in the UK by 2050.